

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460

OFFICE OF AIR AND RADIATION

January 26, 2006

Dear ENERGY STAR® Programmable Thermostat Partner or Other Industry Stakeholder:

Since 2002, EPA has been working with industry stakeholders to determine the best way to revise and implement a programmable thermostat specification such that energy savings are maximized and realized. EPA released its most recent draft of the Version 2.0 specification on October 9, 2003 for stakeholder review and comment. However, based on additional field studies of consumer behavior, EPA is proposing the transition from a performance specification to a consumer education campaign. To date, EPA has not seen any conclusive evidence that ENERGY STAR qualified programmable thermostats save energy and money, presumable due to user behavior.

Over the past several weeks, the US Environmental Protection Agency (EPA) has met with stakeholders, including a meeting held in Washington, DC on January 11th, to discuss transitioning ENERGY STAR for programmable thermostats toward an educational campaign focused on user behavior. During the stakeholder meeting EPA presented a proposal for discussion and feedback. For those stakeholders who could not be present, this proposal is attached for review and comment along with an attendee list and meeting summary.

A summary of the proposal is, as follows:

- EPA shared five field studies which showed that programmable thermostat installation achieved no significant savings over non-programmable thermostats. In addition, there have been problems with labeling programmable thermostats including consumer confusion in achieving savings, thermostats jeopardizing "right-sizing" for cooling, and lack of product differentiation, among others.
- Given that there are no guaranteed savings without changes in user behavior, EPA is proposing to transition to a consumer education campaign, rather than a traditional product performance specification. EPA has successfully launched similar campaigns such as home sealing and computer monitor power management, which provide value to partners while carrying an actionable message to the consumer.
- The campaign would include a graphic (see attached EPA presentation for draft mockup) and language for manufacturers' use. In return for using the graphic, manufacturers would commit to participation, including using the graphic in certain applications (e.g., packaging, product literature, Web site, etc.). The requirements would be determined by EPA with input from stakeholders.
- EPA proposed that the graphic could be used on any thermostat (programmable or otherwise) given that studies suggest that it is consumer behavior that leads to savings, rather than a programmable thermostat itself. EPA is looking to target the roughly 50% of households that don't set back at night, and the roughly 7% that don't setback during the day when no one is home.
- The language would be developed by EPA in conjunction with stakeholders to develop consistent messaging promoting set back behavior. The language and graphic would be incorporated into the

First Frost Campaign (heating products) and Cool Your World (cooling products), two ongoing national media campaigns managed by the US EPA.

A timeline of proposed dates and milestones is provided in the attached EPA presentation.

All interested stakeholders will have until Monday, February 27, 2006 to provide feedback on this proposal. In addition, EPA is interested in receiving product packaging, user manuals, or other supporting documentation given to consumers and contractors at the point-of-sale. Comments and documentation should be sent to Gwen Duff, ICF Consulting, via e-mail at gduff@icfconsulting.com or Gwen Duff, ICF Consulting, 1725 Eye Street NW, Suite 1000, Washington, DC 20006. At the end of the comment period, EPA will carefully review and consider all comments and take a 30-day period to come back to manufacturers with a decision on how to move forward with the product area.

The exchange of ideas and information among EPA, industry, and other interested parties is critical to the success of ENERGY STAR. As such, you are strongly encouraged to provide prompt feedback. All comments will be posted to the ENERGY STAR Product Development Web site unless the submitter requests that their comments remain confidential. If you support the proposal, or do not wish to comment, please state this in writing or via email. To review comments and historical information, visit the Product Development Web site at www.energystar.gov/productdevelopment and click on "Revisions to Existing Product Specifications" on the right navigation bar.

Thank you for taking the time to review this proposal. I look forward to working with you over the next few months to finalize and implement revisions to ENERGY STAR for Programmable Thermostats. Please feel free to contact me directly with any questions or concerns at (202) 343-9397 or via e-mail at shiller.david@epa.gov.

Sincerely,

David Shiller

ENERGY STAR Marketing Manager

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